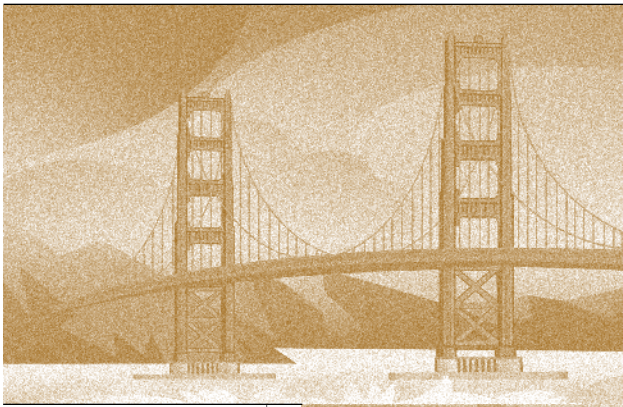


**TAX TIPS FOR**

# **VETERINARIANS**



**BUSINESS**



**Publication 36**

**February 2006**

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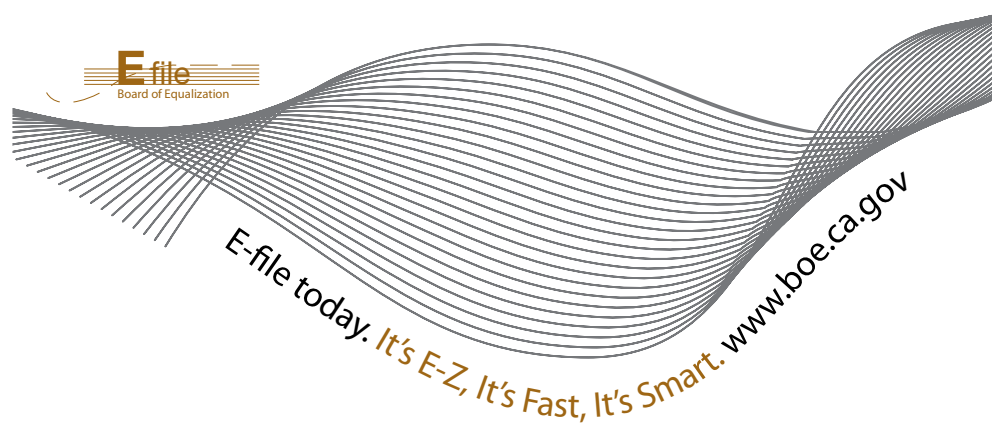
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## Preface

This publication is designed to help you understand California's Sales and Use Tax Law as it applies to veterinary practices, including clinics, hospitals, or centers operated by veterinarians. The term "veterinarian" is not limited to individuals, but also includes any firm, partnership, joint venture, association, limited liability company, corporation, syndicate, or any other group or combination acting as a unit to provide veterinary services.

If you cannot find the information you are looking for in this booklet, please contact our Information Center. Staff will be glad to answer your questions. Telephone numbers are on page 20.

For general information about sales and use taxes, your obligations as holder of a seller's permit, how to file tax returns, and registration requirements for other tax and fee programs administered by the Board of Equalization, please see publication 73, *Your California Seller's Permit*. It includes information on obtaining a permit; using a resale certificate; collecting and reporting sales and use taxes; buying, selling, and discontinuing a business; and keeping records. Ordering information is found on page 17.

We welcome your ideas on improving this or any tax tip publication. You may use the reader survey on page 21 to comment, or write:

Audit and Information Section, MIC:44  
State Board of Equalization  
P.O. Box 942879  
Sacramento, CA 94279-0044

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*Note: The statements in this booklet are general and are current as of the cover date. The Sales and Use Tax Law (Revenue and Taxation Code, section 6001 and following) is complex and subject to change. If there is a conflict between the law and this booklet, any decisions will be based on the law and not this booklet.*

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# 1. Do You Make Retail Sales?

*As a veterinarian, you commonly provide products including drugs, medicines, and pet supplies to your clients. This chapter is intended to help you determine if any of your sales are considered retail sales, and whether you need a seller's permit. Information on reporting sales tax is found in the next chapter.*

## Are you a retailer, consumer, or both?

**Retailer.** If you make sales in your practice that qualify you as a *retailer* under the Sales and Use Tax Law, you must obtain a seller's permit, file tax returns, and pay tax on those sales. Using resale certificates, you may buy products to resell. Your suppliers will not apply sales tax to purchases you make with a resale certificate.

**Consumer.** If you are considered a *consumer* (end user) for *all* of your transactions, you are generally not required to obtain a seller's permit or report sales tax to the Board. Your suppliers will generally apply tax when you purchase products that you will consume in your practice. Under certain circumstances, you may be liable for reporting *use tax* to the Board. For more information, see chapter 4, "Taxability of Purchases."

**Most veterinarians are both.** You may be considered a retailer in some instances and a consumer in others (see table on the next page). If this is the case, you will need to obtain a seller's permit and report tax to the Board on your retail sales. While you may use a resale certificate to purchase items you will resell, your suppliers should apply tax when you purchase items you will consume in your practice.

## Which sales are retail sales?

To determine which of your sales are retail sales, the Board considers:

- The type of service, if any, provided with the product;
- Whether the product is a drug or medicine, or another type of product; and
- For products other than drugs or medicines, your billing method.

The table on the next page shows the circumstances in which you are considered to be a retailer, and when you are a consumer. It is important that you refer to the following pages for definitions of the terms found in the table.

*For more information, you may wish to obtain a copy of Regulation 1506, Miscellaneous Service Enterprises.*

## ■ Retail sales and products used by veterinarians

Item	Furnished without professional services	Furnished with professional services	
		Separate charge	Charge not separate
Drugs and medicines	retailer	consumer	consumer
Other products	retailer	retailer	consumer

## Professional Services

Charges for your services are not subject to sales tax.

In defining retail sales by veterinarians, the Board looks at the relationship between the products you sell and the services you provide. As you can see on the preceding table, providing a product to a customer without professional services is generally considered a taxable retail sale. Yet, when the same product is provided with professional services, *you* may be considered the consumer of the product. Therefore, it is important that you understand how the Board defines *professional services*.

## ■ Professional services

Professional services are considered to include activities such as:

- Diagnosis, including examinations, x-rays, tests, and so forth
- Treatment
- Surgery
- Administration of drugs

*Example, product furnished with professional services:* Based on your examination of a parrot and subsequent tests, you determine that the bird has a respiratory infection. You provide your client with a liquid antibiotic for the parrot, an action directly related to specific professional services — in this case, your examination, tests, and diagnosis. As you can see in the table above, when you provide a drug or medicine with professional services, you are considered the consumer of the drug, and the transaction is not a retail sale (see next page for definition of drugs and medicines).

## ■ Other services

Some services you provide are not considered to be professional services. Although you may, in connection with the sale of a product to a customer, use your:

- *General* medical knowledge and experience to recommend the use of a particular drug or other product; or
- Provide advice to a customer regarding the use of a particular product.

These actions are not considered professional services.

*Example:* A customer comes into your office seeking an ointment for a minor cut on her horse. Advice you provide regarding which ointment to buy, or how to use it, is not considered a professional service. The sale of the ointment is a retail sale (see table previous page).

## Drugs and medicines

You are generally considered the consumer of drugs and medicines (see definition below) you furnish with related professional services. However, when you do not provide related professional services, furnishing drugs or medicines to clients is considered a retail sale, and you are generally required to report sales tax based on the product's selling price.

**Exemptions:** If a drug or medicine will be administered to *food animals* (see definition page 8) or to animals that will be sold by their owners in the regular course of business, the sale, use, or purchase of the drug or medicine may not be taxable. This is true whether you are considered the retailer or consumer of the product. For more information and a table showing when tax applies to transactions involving drugs and medicines, see page 9.

### *Definition*

Veterinary drugs and medicines are considered to be *substances* or *preparations* intended for the use in the diagnosis, cure, mitigation, treatment, or prevention of disease in animals. They include:

- Pills (other than vitamins)
- Capsules (other than vitamins)
- Liquid medications
- Injectable drugs
- Ointments
- Vaccines
- Intravenous fluids
- Medicated soaps (which are available only to veterinarians)

*Please note:* Supplies you use in your practice, such as dressings, sutures, splints, and so forth are not considered drugs or medicines. You are generally considered the consumer of those supplies.

*If you are unsure whether an item is a drug or medicine, a supply, or another product, please call the Board. Phone numbers are on page 20.*

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## Other products

As shown in the table on page 2, sales of products other than drugs or medicines, when furnished without related professional services, are generally considered retail sales. When these products are provided with professional services, your billing method determines whether the transaction is considered a retail sale (see below).

The following products are not considered veterinary drugs or medicines:

- Flea powder, spray, and dip; flea collars
- Leashes, leads, and collars
- Animal carrying cases
- Animal shampoo
- Grooming aids
- Pet foods, including prescription diet foods and artificial diets
- Vitamins

### *Billing methods and tax*

You are considered the retailer of products other than veterinary drugs or medicines furnished with professional services when you list a *separate charge* for those items on your bill. Tax is due on the sale of the products based on their selling price. However, if you bill your client for a *lump sum amount* (services and products combined in one charge), you are considered the consumer of those products rather than the retailer.

## X-rays

You are considered the retailer of x-rays if you

- Deliver x-rays to a client, and
- Charge separately for them.

Tax would apply to your charges.

## Boarding charges

You may board animals at your hospital or clinic in association with professional services or as a service to your clients. Your charges for boarding are not subject to tax, whether they are itemized or included in a lump-sum billing. However, you may be required to report tax on the sale of products furnished for a boarded animal, as explained on the next page.



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- *If your bill does not list separate charges for products furnished, you are considered the consumer of those products and should not buy them with a resale certificate. If you do, you will owe use tax based on their purchase price (see use tax discussion beginning on page 12).*
  - *If your bill includes separately stated charges for products furnished, you are considered the retailer of those products and must report tax on your sales. Exception: If you provide professional services with boarding, you are generally considered the consumer of drugs and medicines even when you charge separately for them (see page 3).*

## Questions?

If you're not sure whether to report tax on a sale, please call the Board's Information Center (see page 17).



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## 2. Reporting Sales Tax

*The retail sale of goods in California is generally subject to sales tax. This chapter describes sales tax reporting, including information on credit sales. For more information, you may wish to obtain a copy of publication 732, Your California Seller's Permit. For ordering information, see page 17.*

### Sales tax reimbursement (including an amount for sales tax in your charges)

Although you are responsible to report and pay sales tax to the Board, the law allows you to collect "reimbursement" from your customers for the sales tax you will owe on each retail sale. You may add the amount of tax due to the price of the products you sell, being sure to itemize the tax on your invoice or receipts. Or, you may include it in the price for the product. If you choose the latter method, you must post a visible sign stating, "All prices of taxable items include sales tax reimbursement calculated to the nearest mill," or include a similar statement on your sales receipts.

### Tax due with your sales and use tax return

You must report all of your sales on your sales and use tax return — including nontaxable sales, nontaxable charges for professional services, and nontaxable boarding charges. The tax due with each return is based on your total gross sales for the period less deductions for nontaxable receipts and other adjustments. (Some exemptions and deductions common to veterinary practices are described in the next chapter.)

### Reporting credit sales

Tax for an item sold on credit is due with the tax return for the reporting period in which you make the sale, even though you may not receive full payment until a later date. Tax is due on the full selling price.

*Example:* You perform surgery on a horse in March and keep the animal at your clinic for two days for observation. On your bill, you separately state a \$50 charge for the horse's feed (as explained on pages 4 and 5, when related to professional services and listed as a separate charge, the sale of feed is generally considered a taxable retail sale). Your client pays you \$25, and agrees to pay the balance in future months. Regardless of when you receive the balance due, the \$50 selling price of the feed must be included on your tax return for the reporting period that includes the month of March.

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You may exclude amounts for insurance, interest, finance, and carrying charges from the taxable selling price you report for a credit sale, provided you keep adequate and complete records itemizing those charges.

If you have reported tax on a transaction and do not receive payment from your customer, you may be able to claim a bad debt deduction on your sales and use tax return. Please see page 10 for more information on bad debt deductions.

### Losses from robbery, theft, or shoplifting

You are required to pay tax on all of your taxable sales despite any loss of proceeds from them. As a result, you may not take a deduction for a loss due to robbery, theft, or shoplifting.

Although you cannot deduct such losses, you must document them in your records. Acceptable forms of documentation include police reports, insurance claims, reports from private investigating agencies, and so forth. It is important that you be able to account for all of your inventory and income if your practice is audited.

## 3. Exemptions and Deductions

*Although you must report all of your sales on your sales and use tax return, you may deduct amounts included for nontaxable sales or for other allowable deductions before you calculate the tax you owe. This chapter describes some of the more common nontaxable sales and deductions that may apply in your practice. For more information, see publication 73, Your California Seller's Permit. You may also wish to obtain Board publication 61, Sales and Use Tax: Exemptions and Exclusions. Ordering information begins on page 17.*

### Recordkeeping

It is important that you maintain proper documentation for all tax-exempt sales and other deductions you claim on your sales and use tax return. You should be sure to maintain resale and exemption certificates and indicate purchasers' names on corresponding sales invoices, and to maintain other information necessary to substantiate each exemption or deduction.

### Sales for resale

Sales you make to others for resale are not subject to tax, provided you obtain a valid resale certificate from the purchaser. For more information on acceptance or use of resale certificates, see publication 73, *Your California Seller's Permit*, or Regulation 1668, *Resale Certificates*.

### Sales of feed

#### ■ Feed for food animals

Your sale or use of feed for *food animals* is not subject to tax. Food animals are considered to be those animals, birds, or insects commonly used to produce food items that people eat, such as meat products, dairy products, eggs, and honey. Examples include cattle, swine, chickens, sheep, goats, quail, ostriches, turkeys, and bees.

This tax exemption applies regardless of the method you use to bill your customer. Feed, for sales and use tax purposes, includes products such as grain, hay, seed, and similar products. It does not include sand, charcoal, granite grit, or sulfur.

In addition, your purchases of feed for food animals are not taxable. See page 14 for further information.

#### *Exemption certificates*

If you sell feed for food animals and that feed can also be used for nonfood animals, you may need to obtain a *feed exemption certificate* from the purchaser.

*For more information, you may wish to obtain a copy of Regulation 1587, Animal Life and Feed*

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However, a certificate is not required for sales of:

- Two or fewer standard sacks of grain, and/or four or fewer bales of hay (for use as feed)
- Feed bearing a manufacturer's label indicating that it is intended for food animals

### ■ Sales of feed for nonfood animals to be sold

The sale of feed for nonfood animals that will be sold by the purchaser in the regular course of business is not subject to tax. In addition, feed sales to breeders who will sell their nonfood animals' offspring in the regular course of business are not taxable. You should obtain a feed exemption certificate from the purchaser to substantiate these sales (see page 16).

## Tax-exempt sales of drugs and medicines

Under certain circumstances, your sale or use of a veterinary drug or medicine is not taxable. The product must be sold for the prevention or control of disease in food animals (see previous page), or in animals that will be sold by the purchaser in the regular course of business. For animals that will be sold, the drug or medicine must be intended for administration as an additive to feed or water rather than for direct administration. The table below summarizes how tax applies to the sale or use of drugs and medicines.

*The definition of drugs and medicines is found on page 3.*

Type of Animal	Drug or Medicine Administered	
	in Feed or Water	Directly <sup>1</sup>
Food Animal	Nontaxable	Nontaxable
Nonfood animal if it or its offspring will be sold in the regular course of business	Nontaxable	Taxable
Other nonfood animal	Taxable	Taxable

<sup>1</sup> Oral, hypodermic, external, or topical application, including injections, implants, drenches, repellents, and pour-ons.

### *Supporting documentation*

When you make a nontaxable sale of drugs or medicine, your sale should be supported by a *drug exemption certificate* completed by the purchaser. A sample certificate is shown on page 16.

*Note:* These rules also apply to your purchases of drugs and medicines. See page 15 for further information.

For more information, you may wish to obtain a copy of Regulation 1701, Tax-Paid Purchases Resold.

## Tax-paid purchases resold prior to use

If you pay an amount for sales or use tax on the purchase of an item and then resell the item before using it, you can take a deduction on your tax return. When you report the sale, you may deduct your cost for the item, not including any applicable tax, under *Cost of Tax-Paid Purchases Resold*. If you do not take the deduction, you may pay more tax than you owe.

*Example:* You purchase a case of prescription diet dog food for \$20. Since you intend to use the dog food in a way that qualifies you as its consumer, your supplier applies tax to your purchase. Later, a customer comes into your practice with a prescription for diet dog food from another veterinarian. You sell the customer the case of dog food for \$35 without providing any related professional services. The transaction is considered a retail sale.

You are required to report the \$35 sale on your sales and use tax return (included in your gross receipts) and to pay sales tax on the transaction. However, since sales tax was applied to your initial dog food purchase, you can take a \$20 deduction (your cost, not including tax) on your return, under “Cost of Tax-Paid Purchases Resold.”

## Cash discounts on taxable sales

A cash discount on a retail sale is not subject to sales tax. For example, if you sell a dog kennel for \$350 less a 10 percent discount (\$35), tax would be due on \$315, the total amount you received in connection with the sale (\$350 price – \$35 discount = \$315). Your invoice or receipt should clearly list the original price, amount of discount, amount subject to tax, and the amount of tax applicable to the sale.

## Bad debt deductions

If you reported tax on a sale and have been unable to collect payment from your customer, you may claim a deduction for the bad debt. Bad debts may take the form of:

- Checks returned unpaid by the purchaser’s bank which you have determined to be uncollectible; or
- Accounts from charge or credit sales found worthless.

You must charge off the bad debts for income tax purposes or charge them off in accordance with generally accepted accounting principles.

You should claim the deduction on the return filed for the period in which you found the account worthless and wrote it off. Your deduction cannot include the amount of tax that applied to the sale, or any other nontaxable charges included

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in your total loss. (When you calculate your deduction, please be sure to deduct tax from the total loss at the rate in effect when the sale was made.) You cannot deduct amounts you paid to collect the funds due.

If you later collect the money due for a bad debt (including worthless checks), any amount you previously claimed as a deduction must be reported as a taxable sale.

*Note:* Since there are many rules governing deductions for bad debt losses, you may wish to request a copy of Regulation 1642, *Bad Debts*, or to contact the Board for more information.

## Professional services and boarding charges

As discussed in chapter 1, charges for professional services and boarding charges that do not include taxable sales of products are not subject to tax. Receipts from these services included in “Total (gross) sales” on your sales and use tax return should be deducted under “Other” deductions before you calculate the tax you owe.

## 4. Taxability of Purchases

*Tax generally applies to your purchases of items you will consume in your practice. However, if you use a resale certificate to purchase merchandise you will resell, tax will not apply to the transaction. If you purchase property for resale but use it for another purpose, you may be required to pay use tax to the Board. This chapter describes common situations in which sales or use tax may apply to your purchases.*

### General principles and methods

Generally, you should use a resale certificate to purchase items you will sell at retail, and pay sales tax reimbursement to your suppliers or *use tax* on purchases of items you will consume. However, it may be difficult for you to apply this to all of your purchases, since you may both resell and consume certain products you buy for your practice.

You may find it helpful to adopt one of the following purchasing methods and use it consistently in your practice.

#### *If you rarely make retail sales*

If you rarely make retail sales, you may prefer not to use a resale certificate when making purchases for your practice. If you do resell items, you may be able to take a “Tax-Paid Purchases Resold Prior to Use” deduction (explained in the previous chapter).

#### *If you ordinarily make retail sales of each item you purchase*

If you sell some of *each* product you purchase, you may wish to buy all of those products using a resale certificate. You will report sales tax on items you sell at retail, and *use tax* on the cost of items you consume in your practice. You should report that cost under “Purchases Subject to Use Tax” on your sales and use tax return (see example on page 14). Use tax is explained in more detail below.

#### *If you can determine which products you will sell and which you will consume*

If you can readily determine which products you buy to sell at retail, and which products you buy to consume, you should use a resale certificate when purchasing items you will resell. You should pay tax reimbursement to your suppliers when purchasing products you will consume.

### Use tax

In certain circumstances, *use tax* applies to the purchase price of items you buy. For example, if you purchase an item without paying an amount for California tax and then use the item for a purpose other than resale, your purchase is subject to use tax. The use tax rate is the same as the sales tax rate for your location.



You should report purchases subject to use tax on the line of that same name (usually line 2) of your sales and use tax return.

The following sections describe typical situations in which use tax applies to your purchases.

### ■ Merchandise purchased for resale

You must report use tax to the Board if you purchase merchandise with a resale certificate and then use the merchandise for other business or personal purposes. Taxable uses include:

- Use of products as a consumer (see chapter 1)
- Donations (donations to certain charitable organizations may be tax-exempt. Please call the Board for further information.)
- Gifts to friends, employees, and others
- Personal use

*Note:* If you know at the time you make a purchase that you will not resell the merchandise you are buying, you may not use a resale certificate for that transaction.

### ■ Items used for demonstration and display

Merchandise you use exclusively for demonstration and display while it is for sale is not subject to use tax. Sales tax applies when the item is sold.

If you use a demonstration or display item for any additional purpose, including personal use, the purchase price must be reported under “Purchases Subject to Use Tax” on your return. Again, sales tax applies to the subsequent retail sale of the merchandise. For more information, see Regulation 1669, *Demonstration, Display, and Use of Property Held for Resale—General*, available from the Board (see page 17).

### ■ Purchases from out-of-state retailers

In general, if you purchase taxable merchandise from a retailer located outside the state without paying California tax, and use the merchandise for a purpose other than for resale (including use as a consumer—see chapter 1), the purchase is subject to use tax and must be reported to the Board.

**Credit against use tax liability for payment of another state’s tax.** If you were required to pay, and did pay, another state’s sales tax on a purchase, you may take a credit against your *use tax* liability by.

- Reporting the amount of the purchase under “Purchases Subject to Use Tax,” and
- Deducting the amount of tax paid under “Taxes Imposed by Other States” on your return. You can claim a credit up to the amount of California use tax due.

*Note:* You may not claim this credit against your *sales tax* liability for purchases you resell.

Some out-of-state retailers are authorized to collect and pay California use tax. If your receipt indicates that the retailer collect the correct amount of California use tax from you. You do not need to report the purchase on your return.

### ■ Items you consume when tax not paid on purchase

If you purchase merchandise without payment of California tax or tax reimbursement and consume the items in your practice rather than resell them, you must report use tax on your purchase. This holds true whether you buy the product using a resale certificate or from an out-of-state supplier who does not collect California use tax (see “Purchases from out-of-state retailers,” on previous page).

*Example:* You spend \$250 on equine vaccine for use in your large animal practice, knowing that you will sell some of the vaccine on an over-the-counter basis and use some of it in connection with professional services. Since you intend to resell some of the vaccine, you provide your supplier with a resale certificate and the supplier does not apply tax to your purchase.

You administer one-half of the vaccine to horses you see on ranch visits, a use connected with professional services. Since you are considered to be the consumer of vaccine provided with professional services rather than its retailer (see table page 2), you must report use tax on the portion of the vaccine you use in this way. In this case, one-half of your original purchase cost, or \$125. (You must report sales tax on equine vaccine sales not connected with your professional services, based on your *selling* price.)

## Business supplies and equipment

Purchases of items used in your business, such as display fixtures, equipment, instruments, bookkeeping materials, and maintenance materials, are subject to sales or use tax. Tax also applies to your purchases of supplies used in your practice, such as disinfectant, dressings, suture materials, and similar items. If bought from an out-of-state seller who does not charge California use tax, you must report the purchase on your return, under “Purchases Subject to Use Tax.” The subsequent retail sale of these items would be subject to sales tax.

## Purchases of feed for food animals

Purchases of feed for food animals (see page 8) are not subject to tax. This holds true whether you later sell the feed at retail or consume it in your practice. You should provide your supplier with a completed feed exemption certificate at the time of purchase (see page 8). A sample certificate is found on page 16.

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## Purchases of drugs and medicines

As with sales of drugs and medicines, some of your drug and medicine purchases may not be subject to tax. For information regarding how tax applies to transactions involving drugs and medicines, see the text and table on page 9. You should provide your supplier with a drug exemption certificate when you make qualifying nontaxable purchases of drugs and medicines (see next page).

## 5. Appendix: Exemption Certificates

### Feed exemption certificate

For information on feed exemption certificates, see page 8 and 14.

*Please note: There is no required form for exemption certificates. Other forms are acceptable provided they contain all of the information shown here. While the Board does not provide blank certificates, you may reproduce the ones on this page.*

#### FEED EXEMPTION CERTIFICATE

"I hereby certify that all of the feed which I shall purchase from

\_\_\_\_\_ will be purchased for use as feed for food animals or for nonfood animals which are being sold in the regular course of business. This certificate shall be considered a part of each order which I give unless such order shall otherwise specify. This certificate shall be good until revoked in writing."

Signature \_\_\_\_\_ Date \_\_\_\_\_

Name \_\_\_\_\_

Address \_\_\_\_\_

Occupation \_\_\_\_\_

Seller's Permit Number (if any) \_\_\_\_\_

### Drug exemption certificate

For information on drug exemption certificates, see pages 9 and 15.

#### DRUG EXEMPTION CERTIFICATE

"I hereby certify that the drugs or medicines which I shall purchase from

\_\_\_\_\_ will be purchased

☐ as an additive to feed or drinking water for food animals or for nonfood animals being held for sale in the regular course of business, or

☐ for administration directly to a food animal.

This certificate shall be considered a part of each order which I shall give unless such order shall otherwise specify. This certificate shall be good until revoked in writing."

Signature \_\_\_\_\_ Date \_\_\_\_\_

Name \_\_\_\_\_

Address \_\_\_\_\_

Occupation \_\_\_\_\_

Seller's Permit Number (if any) \_\_\_\_\_

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## 6. For More Information

### Website

For publications, forms, regulations, and much more: [www.boe.ca.gov](http://www.boe.ca.gov).

### Information Center

If you have a general tax question, please call our toll-free number and speak with a Customer Service Representative. Representatives are available weekdays from 8:00 a.m. to 5:00 p.m., except state holidays. Please call

800-400-7115 TDD/TTY: 800-735-2929

Assistance is available in languages other than English.

*From TDD phones  
800-735-2929*

*From voice phones  
800-735-2922*

### Questions regarding your account

Please call the office that maintains your records. The name and telephone number of the appropriate office is printed on your tax returns. Field office telephone numbers are provided on page 20.

Verifying seller's permit numbers (sales for resale)

If a customer gives you a resale certificate for a purchase, you may contact us to verify the customer's seller's permit number.

**Use the Internet:** [www.boe.ca.gov](http://www.boe.ca.gov). Look for "Permit Verification."

**Call our toll-free automated verification service:** 888-225-5263. You will need to provide the seller's permit number you want to verify.

### Faxback service

Our faxback service, available 24 hours a day, allows you to order selected forms and regulations. Call the Information Center and choose the fax option. Your selections will be faxed to you within 24 hours.

### Publications and regulations

To obtain copies of publications and regulations, you may

**Use the Internet:** [www.boe.ca.gov](http://www.boe.ca.gov). You may order forms and publications using our online ordering system. Or if you need a copy now, you may view or download copies of forms, publications, and regulations.

**Call our Information Center.** A customer service representative will help you during working hours. If you know the name or number of the document you need, you may call outside working hours and leave a recorded message. Certain documents are also available on our faxback service, described above.

*A list of available  
Board publications  
is found in  
publication 51,  
Guide to Board  
of Equalization  
Services.*

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All Board  
publications and  
regulations are  
available on our  
website at  
[www.boe.ca.gov](http://www.boe.ca.gov).

Selected regulations and publications that may interest you are listed below. A complete listing of sales and use tax regulations and publications appears in publication 73, *Your California Seller's Permit*.

## ■ Regulations

- 1506 Miscellaneous Service Enterprises
- 1587 Animal Life and Feed
- 1641 Credit Sales and Repossessions
- 1642 Bad Debts
- 1654 Barter, Exchange, "Trade-ins" and Foreign Currency Transactions
- 1655 Returns, Defects and Replacements
- 1667 Exemption Certificates
- 1668 Resale Certificates
- 1698 Records
- 1700 Reimbursement for Sales Tax
- 1821 Forward — District Taxes

## ■ Publications

Some of our publications are in languages other than English. The letters C,K,S, or V after a publication title below indicate that a translated version is available (C for Chinese, F for Farsi, K for Korean, S for Spanish, V for Vietnamese).

- 44 District Taxes (S)
- 51 Guide to Board of Equalization Services (C, K, S, V)
- 58A How to Inspect and Correct Your Records
- 61 Sales and Use Taxes: Exemption and Exclusions
- 70 The California Taxpayer's Bill of Rights (C, K, S, V)
- 73 Your California Seller's Permit (C, F, K, S, V)
- 74 Closing Out Your Seller's Permit (C, K, S)
- 75 Interest and Penalties
- 76 Audits and Appeals (F, K, S)

## Tax Information Bulletin

As a registered seller, you will receive the quarterly Tax Information Bulletin, which includes articles on specific types of transactions, listings of new and revised publications, and other topics of interest to sellers. The bulletin is mailed with your sales and use tax returns, and is also on our website at [www.boe.ca.gov/news/tibcont.htm](http://www.boe.ca.gov/news/tibcont.htm). If you file once a year and want to receive all four bulletins, write to Mail Services Unit, MIC: 12; Attn: Addressing Systems, State Board of Equalization; P.O. Box 942879; Sacramento, CA 94279-0012. Ask to be added to Mailing List #15.

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## Written tax advice

For your protection, it is best to get tax advice in writing. You may be relieved of tax, penalty, and interest charges that are due on a transaction if we determine that we gave you incorrect written advice regarding the transaction and that you reasonably relied on that advice in failing to pay the proper amount of tax. For this relief to apply, a request for advice must be in writing, identify the taxpayer to whom the advice applies, and fully describe the facts and circumstances of the transaction. Please send your request to the Board office that handles your account.

Written tax advice is specific to individual taxpayers. You cannot obtain tax relief by relying on a written opinion given to another business, even if your transactions are similar. In addition, tax relief is not available if you incorrectly apply tax based on advice we give you in person or over the telephone.

## Classes

Some local Board offices offer basic sales and use tax classes. Check our website at [www.boe.ca.gov](http://www.boe.ca.gov) under “classes” for a listing of classes or to see our online Basic Sales and Use Tax Tutorial. You can also call your local office for class information.

## Taxpayers’ Rights Advocate

We want to make dealing with us as easy as possible. Consequently, we have appointed a Taxpayers’ Rights Advocate to help you with problems you cannot resolve at other levels. You can contact the Advocate’s office at

Taxpayers’ Rights Advocate, MIC: 70  
State Board of Equalization  
P.O. Box 942879  
Sacramento CA 94279-0070  
Phone: 916-324-2798  
888-324-2798 (toll-free)  
Fax: 916-323-3319



## Field offices

City	Area Code	Number	City	Area Code	Number
Bakersfield	661	395-2880	Salinas	831	443-3003
Culver City	310	342-1000	San Diego	619	525-4526
El Centro	760	352-3431	San Francisco	415	356-6600
Fresno	559	248-4219	San Jose	408	277-1231
Kearny Mesa	858	636-3191	San Marcos	760	510-5850
Laguna Hills	949	461-5711	Santa Ana	714	558-4059
Long Beach	562	901-2483	Santa Rosa	707	576-2100
Norwalk	562	466-1694	Suisun City	707	428-2041
Oakland	510	622-4100	Van Nuys	818	904-2300
Rancho Mirage	760	346-8096	Ventura	805	677-2700
Redding	530	224-4729	West Covina	626	480-7200
Riverside	951	680-6400	<b>Out-of-State Accounts</b>		
Sacramento	916	227-6700	Please call 916-445-3670.		

# What do you think of this publication?

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We hope this newly revised tax tip publication will help you to better understand the Sales and Use Tax Law as it applies to your business.

We would appreciate it if you could take a few minutes to give us your comments and suggestions so that we can improve future revisions. We'd also like to have some information that will help us make our publications program more useful to you. Please answer the questions below and on the reverse, remove the page, and return it to us. It is designed as a postage-paid self-mailer: you may fold the page as indicated and seal it with two pieces of tape.

Thank you for taking the time to respond to this survey.

## Publication Comments and Suggestions

1. Does this publication help you apply the sales and use tax in your business operations?
2. Are there any sections that you find particularly helpful? (please note)
3. Are there any sections that you find confusing? (please explain, if possible)
4. Are there any topics not addressed in this publication that you would like us to include?
5. Are there any sections that you feel are incomplete and what would you add?
6. Do you have any other comments or suggestions for improving this publication?

Name (optional) \_\_\_\_\_

Phone number (optional) \_\_\_\_\_

Date \_\_\_\_\_

*Please answer questions on reverse.*

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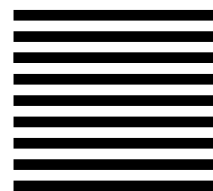
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### Reader Survey Information (please check all boxes that apply)

What is the nature of your business?

How long have you been operating?

- ☐ less than one year    ☐ 1-5 years  
☐ 6-10 years    ☐ more than 10 years

Did you receive a copy of this publication (or an earlier version) when you applied for or received your seller's permit?

- ☐ yes    ☐ no    ☐ not sure

How did you find out about this publication?

- ☐ Board field office  
☐ Board auditor  
☐ Tax Information Bulletin  
☐ Publications listing in a Board publication  
☐ Other (please list) \_\_\_\_\_

Where did you obtain this publication?

- ☐ Board field office  
☐ Board auditor  
☐ Board 800 Number Information Center  
☐ Other (please list) \_\_\_\_\_

Do you use any other Board publications to help you apply or understand the California Sales and Use Tax Law? (please list)

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California State Board of Equalization  
450 N Street • Sacramento, CA  
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LDA